

**Hearing Date:** February 7, 2018

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY (“HTA”),

Debtor.

PROMESA  
Title III

No. 17 BK 3567-LTS

**JOINDER OF FINANCIAL GUARANTY  
INSURANCE COMPANY TO MOTION OF NATIONAL  
PUBLIC FINANCE GUARANTEE CORPORATION FOR ENTRY  
OF AN ORDER UNDER BANKRUPTCY RULE 2004 AUTHORIZING LIMITED  
DISCOVERY OF THE GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**

[Dkt. # 2247]

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are (i) the Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“PRHTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Financial Guaranty Insurance Company (“**FGIC**”), by and through its attorneys Rexach & Picó, CSP and Butler Snow LLP, files this joinder (this “**Joinder**”) in support of the *Motion of National Public Finance Guarantee Corporation for Entry of an Order Under Bankruptcy Rule 2004 Authorizing Limited Discovery of the Government Development Bank for Puerto Rico* [Dkt. # 2247] (the “**Motion**”).<sup>2</sup> In support of this Joinder, FGIC respectfully states as follows:

1. FGIC provides financial guaranty insurance covering in excess of \$1.17 billion in principal amount of bonds outstanding and issued by the Commonwealth of Puerto Rico (the “**Commonwealth**”) and various Commonwealth instrumentalities, including the Puerto Rico Highways and Transportation Authority (“**PRHTA**”). Specifically, FGIC insures approximately \$447 million of outstanding bonds issued by PRHTA. Under relevant provisions of the applicable bond documents, bond insurance policies, and applicable law, payment by FGIC neither satisfies nor discharges an issuer’s obligation to pay and, to the extent FGIC makes such payments, it obtains assignments of rights from the bondholders, becomes owner of the bonds, and/or becomes subrogated to the rights of bondholders and effectively steps into the shoes of such bondholders.

2. While FGIC does not insure the 1998 Subordinated Bonds, as one of PRHTA’s largest creditors, FGIC is similarly situated to National Public Finance Guarantee Corporation (“**National**”). FGIC, therefore, likewise seeks discovery of GDB with respect to the PR SIB Trust Fund, *and* the existence, history and status of any other escrow or trust funds securing bonds issued by PRHTA. Without this information, FGIC cannot adequately evaluate whether the SIB Trust Funds or other escrow or trust funds have been misappropriated or otherwise are available for immediate distribution to PRHTA’s creditors.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms as in the Motion.

3. Rather than propounding substantially identical discovery as National, FGIC files this Joinder in support of the Motion and to receive any and all information produced by GDB pursuant to any order granting the Motion and authorize FGIC to participate in any related examinations or other proceedings. This Joinder will also minimize any burden on GDB as GDB need only provide FGIC with duplicate information provided to National.

4. Accordingly, FGIC respectfully requests that the Court grant the Motion and require GDB to provide FGIC with any information produced to National pursuant to any order granting the Motion and to participate in any related examinations or other proceedings.

Dated: January 23, 2018

Respectfully submitted,

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